

# **FISCAL NOTE**

## **SB 2658 - HB 2681**

January 31, 2002

**SUMMARY OF BILL:** Allows managed health care insurers to apply different co-pays and deductibles for mail order pharmacy providers from retail providers.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - Allowing managed care plans to institute incentives for mail order pharmacy could yield potential savings to managed care plans. To the extent that savings are realized by managed care plans providing service to TennCare or the state employee's health plan, such savings may result in lower cost for such government plans. However, the amount of such savings, if any, cannot be determined but would likely exceed \$100,000 given the large and increasing costs of pharmacy.**

For information purposes the TennCare program currently spends over \$600 million per year on pharmacy costs for behavioral health care and for dual Medicaid-Medicare eligible enrollees. The TennCare MCOs spend an additional amount each year which is included in the capitation payments. A small percentage decrease could produce significant dollar savings.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James A. Davenport, Executive Director

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